

**SOCIAL HOUSING FINANCE CORPORATION (SHFC)**  
**Validation Result of the 2020 Performance Scorecard**

Objective/Measure	Component			SHFC Submission <sup>1</sup>		CGC Validation		Supporting Documents	CGC Remarks
	Formula	Weight	Rating Scale	Target	Actual	Rating	Actual		
<b>SO 1</b>	<b>Improve the Quality of Life of the Informal Settler Families and Low Income Filipinos through the Provision of Housing Finance</b>								
Increase Number of ISFs Provided with Housing Finance Assistance	Actual Accomplishment	35%	(Actual / Target) x Weight	35,000	20,331 ISFs	20.33%	20,331 ISFs	20.33%	Target not met. Request to reduce the target to 8,552 ISFs due to the COVID-19 pandemic and the reduced and limited budget allocation is <b>DENIED</b> . While the Governance Commission recognized the effect of the pandemic in the operations of SHFC, the proposed reduced target was not substantiated by sufficient documentation and not acceptable given the actual accomplishment reported.
<b>SM 1</b>									
<b>Sub-total</b>								20.33%	
<b>SO 2</b>	<b>Ensure Customer Satisfaction through the Provision of Quality Service</b>								
Percentage of Satisfied Customers (Pre-Takeout)	Number of Stakeholders who gave a Rating of at least Satisfactory / Total Number of Respondents	5%	(Actual / Target) x Weight If Less Than 80% = 0%	90%	90.5% Respondents gave at least a Satisfactory Rating	5%	Results Not Acceptable	0%	Upon review of the CSS Final Report, the Governance Commission noted that the time period to which respondents were asked to evaluate the services of the SHFC covered <b>2019</b> instead of 2020.
Percentage of Satisfied	Number of Stakeholders who gave a Rating of at	5%	(Actual / Target) x Weight	90%	90.2% Respondents gave at least	5%	Results Not Acceptable	0%	CSS Final Report Data Quality Control Report Observation and Clearing/Debriefing Report
<b>SM 2a</b>									
<b>SM 2b</b>									
<b>SOCIAL IMPACT</b>									
<b>STAKEHOLDERS</b>									

<sup>1</sup> Based on the 4<sup>th</sup> Quarter Monitoring Report for 2020 submitted by the SHFC through a letter dated 08 July 2021.

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Customers (Post-Takeout)	least Satisfactory / Total Number of Respondents		If Less Than 80% = 0%		a Satisfactory Rating				Under Part IV of the Enhanced Standard Methodology for the Conduct of the Customer Satisfaction Survey, "respondent criteria are time bound and the respondent/ customer should have availed of the services of the GOCCs within the year being evaluated". Moreover, as with the validation of other measures under the Performance Scorecard, the scope of the survey should be limited to the performance year being evaluated.
	<b>Sub-total</b>	<b>10%</b>				<b>10%</b>			<b>0%</b>
<b>SO 3 Enhance Financial Viability</b>									
SM 3 Improve Collection Efficiency Rate	Cumulative Collection / Cumulative Billing (Whole Loan Portfolio) <sup>2</sup>	10%	(Actual / Target) x Weight	73%	70.74% Cumulative Collection Efficiency Rate (CER)	9.69%	70.74%	9.69%	Target not met. The total cumulative collection for 2020 is ₱9,518,847,369 while the total cumulative billing is ₱13,456,790,941.
SM 4 Increase Net Operating Income (Before	-	-	-	-	-	-	Measure Excluded	-	SHFC requested to revise the target from ₱165 Million to ₱(424 Million).
<b>FINANCE</b>									

<sup>2</sup> Includes both performing and non-performing loans.

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Tax and Subsidy)									While the Governance Commission recognizes the effect of the pandemic in the operations of SHFC, setting a target to incur net loss runs counter to the intent and purpose of the PES framework.  Hence, in consideration of the effect of the COVID-19 pandemic and the three (3)-month moratorium of monthly amortization granted to its member beneficiaries, the Governance Commission excluded the measure in the 2020 Performance Scorecard of the SHFC.
SM 5 Improve Budget Utilization Rate	Total Disbursement / Total GAA Allocation for SHFC Program	10%	All or Nothing	Not Less Than 90% But Not More Than 100% of the GAA Allocation for SHFC Program	No Chargeable SARO and NCA to SHFC's CY 2020 GAA	-	0%	0%	Target not met.  Request for the exclusion of the measure in the Performance Scorecard due to belated release of the Special Allotment Release Order (SARO) and Notice of Cash Allocation (NCA) is <u>DENIED</u> .  Albeit the Governance Commission recognizes that the approval of the SARO and NCA requests are not within the control of the SHFC, the submission for the requests for funds are

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									within the control of the SHFC. It was noted that SHFC was only able to request for the release of funds for CMP on 19 July 2020 while funds for the HDH Program was made on 15 November 2020. While the request for release of SARO and NCA were made before the prescribed deadline under Section 3.13 of National Budget Circular No. 578, the same is considered late in terms of program/project implementation.
									The late requests for funds show poor planning and lack of foresight on the part of the SHFC Management. As alluded to by DBM representative in a meeting between the SHFC and the DBM last 12 October 2021, the SHFC should evaluate and come up with a list of ISFs ahead of the succeeding year's budget preparation to ensure that the projects proposed are implementation-ready within the budget year.
<b>Sub-total</b>									
<b>20%</b>									
<b>9.69%</b>									
<b>9.69%</b>									
<b>9.69%</b>									
<b>LN</b>	<b>SO 4 Integrate and Upgrade Support Systems</b>								

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SM 6 Percentage of Loan Applications Processed Within Prescribed Period	Number of Loan Applications Within Prescribed Period <sup>3</sup> / Total Number of Applications	10%	(Actual / Target) x Weight	100%	100% Loan Applications Processed Within Prescribed Time (63 out of 63 projects were processed within 20 days)	10%	Cannot Be Validated	0%	During the online validation, the SHFC represented that due to the complexity of the loan applications process, the corporation did not capture the entire process in the turnaround time monitoring, as it would not meet the prescribed 20-day turnaround time. Thus, the SHFC only took into consideration the sub-process on the release of loan proceeds. However, review of the Citizen's Charter of SHFC showed that the prescribed turnaround time on the sub-process on release of loan proceeds is only one (1) day and three (3) hours, which is inconsistent with the representations of SHFC. Furthermore, the SHFC represented that its Citizen's Charter is subject to revision as it does not reflect the process/practice of the corporation in 2020. However, no documentation was provided as to the actions undertaken to revise the

<sup>3</sup> The prescribed period for the processing of loans should be consistent and in compliance with Republic Act No/ 11032, otherwise known as the Ease of Doing Business and Efficient Government Services Delivery Act of 2018.

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SM 7 Improve Support Systems for Effective and Efficient Processes	Number of Deliverables Attained / Total Number of Deliverables	5%	(Actual / Target) x Weight	100% Attainment of the 2020 Deliverables based on DICT-Approved ISSP 2018-2020 <sup>4</sup>	Four (4) out of Seven (7) Systems (Remedial Management System, Check Writer, Property, Plant and Equipment, and Notification System) Implemented	2.86%	2020 Deliverables under the DICT-Approved ISSP 2018-2020 Not Attained Within the Year	0%	Target not met.  During the online validation, the SHFC explained that the reported modules/systems are sub-systems of the ISSP targeted systems. Further, the SHFC represented that the corporation was able to roll-out the ISSP targeted systems in 2021. The SHFC, however, failed to submit documents (e.g., user acceptance documents, screenshots of the system, and reports generated by the system) in support of such representation.
	<b>Sub-total</b>	<b>15%</b>				<b>12.86%</b>		<b>0%</b>	

<sup>4</sup> Based on the ISSP. The information systems due for implementation in 2020 are: (1) Financial Management System, (2) Management Information System, and (3) System Administration and Management.

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SO 5	Implement Quality Management System									
SM 8 Attain Quality Management Certification	Actual Accomplishment	5%	Pass ISO Surveillance Audit for the Head Office and ISO 9001:2015 Certification for One (1) Regional Branch = 5% Pass ISO Surveillance Audit for the Head Office or ISO 9001:2015 Certification for One (1) Regional Branch = 2.5%	Pass ISO Surveillance Audit for the Head Office and ISO 9001:2015 Certification for One (1) Regional Branch	The 1 <sup>st</sup> Surveillance Audit for the Head Office and ISO 9001:2015 Certification Audit for the Regional Branch will be conducted in FY 2021	0%	No 1 <sup>st</sup> Surveillance Audit for the Head Office and ISO 9001:2015 Certification Audit for the Regional Branch was Conducted	0%	E-mail Communications with Certifying Body	Target not met. Albeit the Governance Commission recognizes the limitations in physical reporting and the changes in the work process due to the COVID-19 pandemic, the SHFC could have adopted and documented interim measures to cope with the imposed restrictions and alternative work arrangements like other National Agencies and GOCCs. Further, the Governance Commission raises concern on the non-conduct of the first surveillance audit as it may result in the invalidation of the ISO 9001:2015 Certificate of the SHFC.
SO 6	Elevate Personnel Competency									
SM 9 Improvement of the Competency of the Organization	2020 Accomplishment – 2019 Accomplishment	5%	All or Nothing	Improvement in the Competency Baseline of	0.0249 Increase in the Corporate Competency Level	5%	Cannot Be Validated	0%	2017 Competency Assessment Report Competency-Based System (CBS) Manual	The Governance Commission noted that there were additional competency elements in the competency assessments for 2019 and 2020. Such competency elements were not included in the Board-

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					the Organization <sup>5</sup>					approved Competency Framework of the corporation. Moreover, the Governance Commission also noted that the SHFC failed to conduct the competency assessment for <b>all</b> its plantilla employees in 2019 and 2020.
		<b>Sub-total</b>	<b>10%</b>				5%		0%	
		<b>TOTAL</b>	<b>100%</b>				<b>57.88%</b>	30.02% out of 90%	<b>33.36% out of 100%</b>	

<sup>5</sup> The competency baseline of the organization shall pertain to the average percentage of required competencies met which can be computed using the following formula:

$$\frac{\sum_{a=1}^A \text{Actual Competency Level}_a}{\sum_{a=1}^A \text{Required Competency Level}_a} \times 100\%$$

where: a = Competency required, A = Total number of competencies required of position, b = Personnel profiled, B = Total number of personnel profiled

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